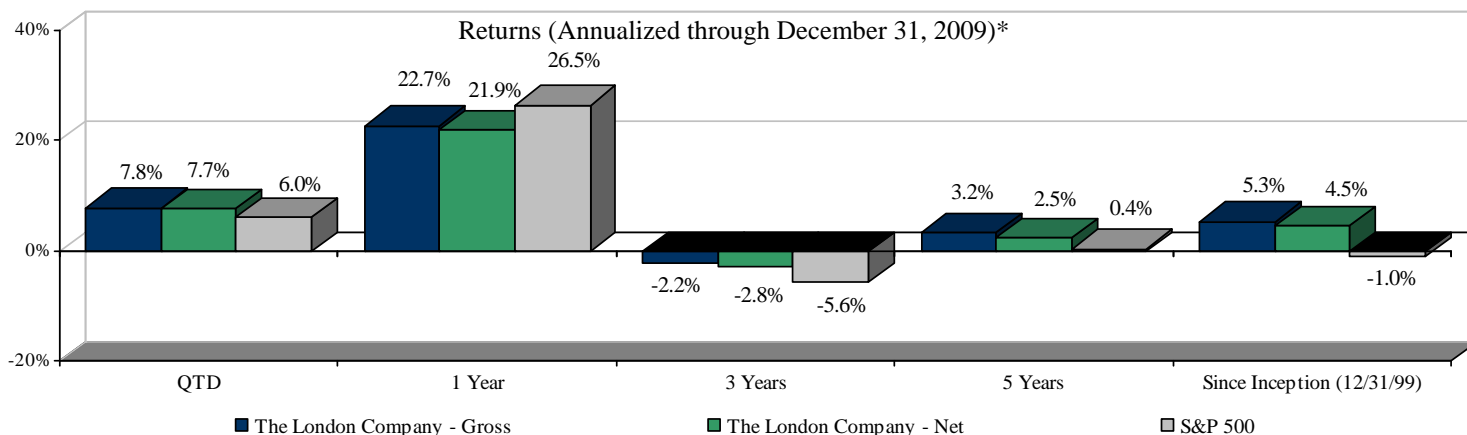


THE LONDON COMPANY

INCOME EQUITY Q4 2009

1801 Bayberry Court, Suite 301 • Richmond, Virginia 23226 • Phone (804)-775-0317 • www.tlccadvisory.com



Investment Philosophy

The London Company's High Dividend, Total Return product is a leading, conservative, high-income-with-growth portfolio focused on capital preservation, income and growth – in that order. We seek profitable, financially stable, core companies that consistently generate high dividend income, are run by shareholder-oriented management and trade at reasonable valuations. Our income equity portfolios are designed to generate above-average, absolute returns over full market cycles and to avoid significant losses in down markets.

Firm Update

The London Company continued to experience exceptional growth, with the **firm total** assets now over **\$1 billion**. Momentum and interest has accelerated recently and we are optimistic about even higher growth over the next six months.

Portfolio Managers

Stephen M. Goddard, CFA

- 20+ Years Experience; Managed Portfolio Since Inception

Jonathan T. Moody, CFA

- 17+ Years Experience; Managed Portfolio Since 2002

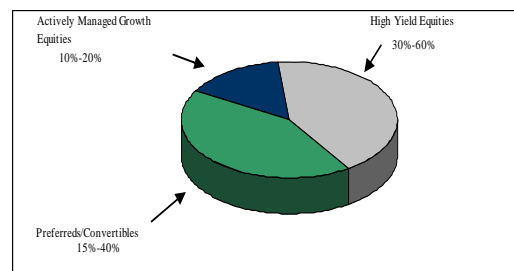
J. Wade Stinnette, Jr.

- 20+ Years Experience; Managed Portfolio Since 2008

Portfolio Characteristics

OBJECTIVE:

- Capital Preservation
- High Income
- Modest Growth
- High Dividend-Paying
- Reasonable Valuations
- Call Protection
- Investment Grade Quality



Absolute Total Return Objective **.8%-10% Annualized**
 Above-Average Income **4%-5%**
 More Diversified, Higher Yield, Less Volatility **Diversified**
 Partial Tax Benefits **Low Turnover**
 Downside Protection **Low Volatility & 20-30% Downside Participation**

Portfolio Review & Outlook

The portfolio **outperformed** relative to the benchmark during the quarter as a result of **stock selection**, although sector selection did add some benefit, as well. In 2009, for most of the year, we saw lower quality names outperform higher quality companies. We believe our strategy of owning high return on capital companies, with strong balance sheets, run by shareholder oriented management teams, will serve us well over the long term.

The top 5 equity contributors to performance during the quarter were NewMarket Corporation, Microsoft, Kinder Morgan, Altria and Conoco Phillips. The top 5 equity detractors to performance for the quarter were Wells Fargo, Hatteras Financial, Berkshire Hathaway, Philip Morris and Intel.

In general terms, the top 3 performing GICS sectors for the S&P 500 during the fourth quarter of 2009 were Information Technology (10.8%), Consumer Discretionary (9.1%), and Healthcare (8.8%). Our underweight positions in these sectors hurt our relative performance. The bottom 3 performing sectors for the S&P 500 were Financials (-3.3%), Consumer Staples (5.0%), and Industrials (5.4%), which all outperformed the index. Our overweight position in the Financials and Consumer Staples sector hurt us, whereas our underweight position in Industrials helped our relative performance.

After falling 35% at the beginning of the year, stocks staged an amazing come back in 2009. The rally which began in March continued in the fourth quarter. Few expected it and many fear the rally isn't sustainable. Strategas Research Partners has dubbed it the "bull market no one loves," citing how little of the \$3.8 trillion parked in money market funds at the beginning of 2009 has been earmarked toward equities. In an environment where money market funds were paying virtually nothing, investors sought higher returns by investing more than fifty times as much in bond funds than in equity mutual funds. Perhaps it is not surprising that retail investors are gun-shy towards stocks after suffering through two major bear markets in ten years, and it is certainly true that there much remains to worry about; however, we believe an improving economy, moderately higher interest rates, ample liquidity, and increased merger and acquisition activity set the stage for equity investments to again outperform both bonds and cash in 2010.

* The London Company's performances are size weighted and annualized based on calculations for the period ending December 31, 2009. The characteristics above relate to a representative account and the characteristics may vary by individual account. As TLC manages its client portfolios according to each client's specific investment needs and circumstances, TLC cannot affirm that the characteristics of the account shown above are similar to all accounts participating in the strategy. This is due in part to the timing of trades by the Adviser, market conditions, cash availability, and the timing of client deposits and withdrawals. Therefore, prospective clients should not assume that similar performance results to those shown would have been achieved for their accounts had they been invested in the strategy during the period. None of the information contained herein should be construed as an offer to buy or sell securities or as recommendations. Performance results shown should, under no circumstances, be construed as an indication of future performance. Data, while obtained from sources we believe to be reliable, cannot be guaranteed. All are encouraged to read and understand the Disclosure notes found on the next page.

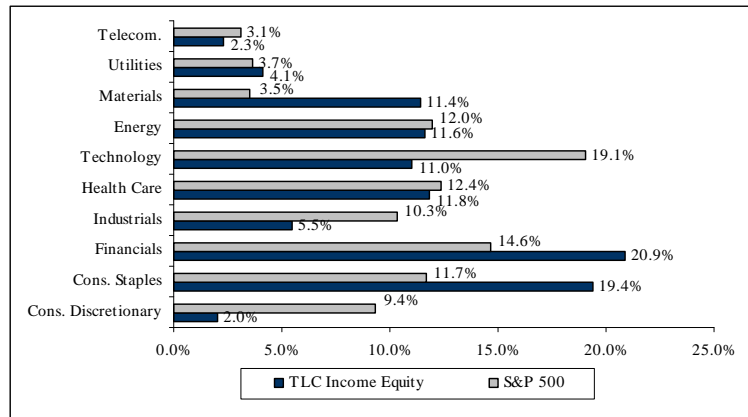
TOTAL RETURN FOCUS • INCOME WITH GROWTH • MINIMUM VOLATILITY

Top Ten Equity Holdings • 12/31/09

NewMarket	5.3%	Coca-Cola	3.2%
Wells Fargo	4.4%	Berkshire Hathaway	3.1%
Altria	3.5%	Kinder Morgan	3.0%
Intel	3.4%	Duke Energy	3.0%
Lorillard	3.2%	Albemarle	2.9%

There is no assurance that any securities discussed herein will remain in an account's portfolio at the time you receive this report or that securities sold have not been repurchased. The securities discussed do not represent an account's entire portfolio and in the aggregate may represent only a small percentage of an account's portfolio holdings. It should not be assumed that any of the securities transactions or holdings discussed were or will prove to be profitable, or that the investment recommendations or decisions we make in the future will be profitable or will equal the investment performance of the securities discussed herein. Data, while obtained from sources we believe to be reliable, cannot be guaranteed. All are encouraged to read and understand the Composite notes found below.

Sector Weightings • 12/31/09



The London Company

Income Equity Composite

12/31/99 – 12/31/09

Year Ending	Net Size Weighted Composite	Gross Size Weighted Composite	S&P500 Benchmark	Blended Index 50% S&P500 50% ML Preferred	Number of Accounts in Composite	Gross Size Weighted Dispersion	Total Composite Assets (in Millions)	Total Firm Assets (in Millions)
12/31/2000	8.00%	9.06%	-9.10%	3.55%	1	N/A	0.4	188.9
12/31/2001	1.31%	2.32%	-11.88%	-1.02%	1	N/A	0.4	172.6
12/31/2002	-5.74%	-4.83%	-22.09%	-7.22%	3	N/A	1.8	214.9
12/31/2003	18.43%	19.35%	28.67%	19.05%	12	1.11%	41.8	395.0
12/31/2004	12.60%	13.21%	10.87%	7.99%	23	0.95%	59.4	397.8
12/31/2005	3.17%	3.90%	4.91%	2.93%	45	1.57%	77.6	412.5
12/31/2006	19.55%	20.53%	15.79%	11.95%	65	2.21%	103.0	495.0
12/31/2007	1.05%	1.84%	5.49%	-2.91%	80	1.41%	101.4	673.6
12/31/2008	-25.50%	-25.04%	-37.00%	-31.12%	48	1.66%	61.6	788.0
<i>Qtr Ending</i>								
03/31/2009	-11.83%	-11.66%	-11.01%	-17.10%	48	N/A	53.0	780.8
06/30/2009	13.35%	13.43%	15.93%	24.83%	46	N/A	60.6	912.3
09/30/2009	13.31%	13.54%	15.61%	12.30%	47	N/A	31.4	870.6
12/31/2009	7.65%	7.81%	6.04%	5.07%	46	N/A	32.6	1069.3
Year-to-Date	21.90%	22.66%	26.46%	23.27%	46	4.43%	32.6	1069.3

The London Company has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). The London Company received firm-wide verification from 6/30/94 through 12/31/08. The Income/Equity Composite received a performance examination from inception through 12/31/08.

DISCLOSURE NOTES

- Definition of Firm: The London Company was founded in 1994 in Richmond, Virginia and provides equity, balanced and convertible portfolio management services to pension, profit-sharing, foundation, corporate, and individual investors. The firm, which is owned by the founding principal, is an independent, autonomous investment management organization.
- Composite Creation Date: December 31, 1999.
- Composite Definition: Accounts in this product composite are fully discretionary taxable and tax-exempt portfolios with no minimum dollar amount of assets. They are managed under our income/equity style, which invests primarily in equities, convertibles and preferred stocks. The product has an inception date of December 31, 1999 and is measured against both the S&P 500 benchmark and a blended benchmark. The blended benchmark is a static 50/50 weighting of the S&P 500 Index and the Merrill Lynch Preferred Index. The London Company added the blended benchmark on March 31, 2006 because management felt it was a good relative comparison of performance. All actual fee-paying discretionary portfolios are included in one or more composites that have been managed for a full calendar quarter with no restrictions and similar objectives. A complete list and description of composites is available upon request.
- Composite Construction: Composite calculations use monthly time weighted total returns using monthly valuations to calculate monthly returns and geometric linking of period returns. Composite dispersion is calculated using an asset weighted standard deviation methodology that incorporates only the accounts that were present in the composite for the entire year. Dispersion measures are deemed not meaningful when a composite contains five or fewer portfolios and for periods shorter than one year.
- Accrued income for equity securities is not included unless specified by the client, of which one account is at this time.
- Performance and Fees: Gross of fee returns are calculated gross of management and custodian fees and net of transaction costs. Net of fee returns are calculated net of management fees and transaction costs and gross of custodian and other fees. Returns are calculated and stated in US dollars. Returns are calculated gross of withholding taxes on foreign dividends and interest. Additional information regarding policies for calculating and reporting returns is available upon request.
- The accounts represented in the composite reflect actual fees paid on the particular account which may be different from the fee normally offered. Fees are normally 1.00% on the first \$100 million of assets, negotiable thereafter or a performance fee option. Investment advisory fees are more fully described in Part II of Form ADV, which is available upon request.
- Some of the accounts in this composite pay a bundled fee, which includes custodian, consultant and management fees. Because of this fee arrangement, net of fee returns for these accounts only are calculated net of all fees and expenses, and therefore have an undervalued net performance. The percentage of composite assets with bundled fees was 40.29% as of December 31, 2006 and 41.22% as of December 31, 2007. The percentage of composite assets with bundled fees as of 12/31/08 was 75%.
- Past performance should not be taken as a guarantee of future performance.

The London Company Investment Counsel ("TLC") maintains a solicitation agreement with Cedar Partners, Ltd. ("Cedar"), a third party marketing firm, effective April 1, 2006. Cedar receives an annual retainer fee (\$75,000) as well as a percentage (20%) of the investment management fees earned on assets placed under management at TLC by the efforts of Cedar. Cedar is not affiliated with and has no relationship with TLC other than a separate written agreement covering the solicitation of business on the behalf of TLC. Cedar is not a broker-dealer. All fees paid to Cedar are in hard dollars. TLC has a standard fee schedule and a differential is not added to the standard fee schedule to compensate Cedar for any solicitations by them.